

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF OHIO**

IN RE: HEATHER CREEK FOODS, LLC)	CASE NO. 10-44358
)	CHAPTER 11
)	
DEBTOR AND DEBTOR-IN-POSSESSION)	JUDGE KAY WOODS
)	
)	
)	

**MOTION FOR ORDER AUTHORIZING DEBTOR IN POSSESSION
TO USE COLLATERAL OF JP MORGAN CHASE BANK, NA**

Now comes Debtor in Possession, Heather Creek Foods, LLC, by and through Counsel, and hereby moves this Court for an Order authorizing the Debtor in Possession to use collateral and for adequate protection.

In support of this Motion, Movant states as follows:

1. Movant is the Debtor in Possession in this case.
2. The Debtor in Possession is authorized to operate the business commonly known as Heather Creek Foods, LLC pursuant to 11 U.S.C. Section 1107. The business of the Debtor in Possession is located at 12485 Commissioner Drive, North Jackson, Ohio 44451. It is a food distribution company.
3. Said business of the Debtor in Possession was operated prior to the filing of the petition for relief under the United States Bankruptcy Code and continues in operation at this time.
4. In the ordinary course of its business, the Debtor borrowed money from JP Morgan Chase Bank, NA secured by its accounts receivable, equipment, inventory and cash proceeds of its collateral. At the present time, the Debtor in Possession is informed

and believes and therefore alleges that the amount owing JP Morgan Chase Bank, NA secured by the accounts receivable, equipment, inventory and cash proceeds of its collateral, as well as other items, is the approximate sum of \$189,268.61. The value of pre-petition accounts receivable, inventory, equipment and cash on hand at this time is estimated to be approximately \$189,000.00. Said assets constitute property of the estate within the meaning of 11 U.S.C. Section 541.

5. Huntington National Bank, NA, Mahoning Valley Economic Development Corporation and Mahoning Valley Industrial Loan Fund may claim a lien on Debtor's accounts receivable, equipment, inventory and cash proceeds of such collateral; however, any such claimed lien interest is junior to the lien of JP Morgan Chase Bank, NA, and, thus, unsecured.

6. The Debtor in Possession requires the use of proceeds of the accounts receivable, inventory, equipment and use of cash in order to continue and maintain the operation of the Debtor's business. The Debtor in Possession is informed and believes that the Debtor's business can be operated on a profitable basis and, in the ordinary course of the operation of said business, more accounts receivable, inventory and cash will be generated. The Debtor in Possession proposes to provide adequate protection to JP Morgan Chase Bank, NA, by transferring the lien to the new assets created by the Debtor in Possession with the same force and effect as the lien attached to the existing assets pursuant to Section 361(2) of the United States Bankruptcy Code.

7. The Debtor in Possession alleges that JP Morgan Chase Bank, NA will be adequately protected by transfer of said lien.

8. Unless the Debtor in Possession receives immediate authorization to use the collateral, it will be forced to close down the business and discharge the employees with the result that the entire going concern value of the Debtor's business will be lost and possibility of reorganization eliminated.

WHEREFORE, the Debtor in Possession, by and through Counsel, moves this Court to issue an Order authorizing the Debtor in Possession to use collateral, and for adequate protection.

RICHARD G. ZELLERS & ASSOCIATES

/s/ Melody Dugic Gazda

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that I did send a copy of the foregoing Motion via electronic filing, regular U.S. Mail and facsimile on this 22nd day of November, 2010 to all parties identified on the attached Service List.

/s/ Melody Dugic Gazda

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